

# Chucks wagon inc

Business



The most appropriate alternative would need an intensive evaluation and assessment of the specific operations or activities in the company that led to the crisis being experienced (Forssell 113). The intended cost accounting studies will have to evaluate the profitability of the company's products. Doing so will subsequently inform the course of action to be taken. The slow-moving products may not be the problem, and the second production line may pick up in due course, or fail altogether. However, this is a scenario that cannot just be speculated.

Delaying the decision would allow adequate time to analyze all company departments and production lines. On the same note, company trends in terms of operations and performance can be assessed within the same period. Therefore, delaying the decision only makes it possible to make an informed and rational decision, as opposed to making a haphazard decision that may end up maintaining the status quo in the firm. The cost accounting studies have a critical role to play in determining the specific company aspect that is in dire need of change in order to address the underlying crisis.

Product profitability is arrived at after factoring in all fundamental aspects of the production line in question. This is the outcome of the production process, and a number of variables right from the use of raw materials to the sale of the final products must be accounted for (Forssell 164). The advantage of initiating the detailed cost accounting studies is that these studies will focus on the entire operations of the company, as opposed to concentrating on specific production aspects that may not even constitute the source of the crisis. The studies, therefore, provide an opportunity for the

evaluation of product profitability over a given period of time, making it possible to pinpoint the exact source and cause of the crisis.